MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BCP3054 – COMPARATIVE ECONOMICS

(All sections / Groups)

14 MARCH 2018
9:00 a.m. – 11:00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **THREE (3)** printed pages with **FOUR (4)** structured questions.
2. Marks are shown at the end of each question.
3. Write all your answers in the answer booklet provided.
4. Answer all questions.

QUESTION ONE (25 MARKS)

(a) "Critics argued that free markets were to blame for the economic collapse and that the role of the state should be increased to tame its excesses … and propose state capitalism as an alternative."

Source: Stuart, G. (2014). *The Global Economy and Its Economic Systems* (1st Edition). Ohio: Cengage Learning.

Compare between state capitalism practiced by China with that of Russia.

(10 marks)

(b) Discuss **TWO (2)** arguments why market allocation is efficient.

(15 marks)

QUESTION TWO (25 MARKS)

(a) Explain the **THREE (3)** forces influencing economic outcome (EO).

(9 marks)

(b) How does the distribution of income differ during the socialism versus the communism stages?

(8 marks)

(c) Contrast the impacts on the United States' economy of the collective bargaining abilities of private and public unions.

(8 marks)

QUESTION THREE (25 MARKS)

(a) Compare between market-based contracting and relationship-based contracting regimes practiced by the Anglo-Saxon, European and Asian economic models.

(12 marks)

(b) Examine the **FOUR (4)** factors that improve the chances of success of privatisation and restructuring.

(13 marks)

Continued…

QUESTION FOUR (25 MARKS)

(a) Explain the **THREE (3)** basic principles of Islamic economics.

(6 marks)

(b) Analyse the issues faced by the rural people's communes that were created during China's Great Leap Forward.

(13 marks)

(c) Explain the occurrence of the Eurozone crisis of 2011 and 2012.

(6 marks)

End of Page